

R 867

INFO	OCT-00	COPY-01	ADS-00	AID-07	INR-10	CIAE-00	COMP-01
	IO-15	EXIM-06	NEA-06	NSAE-00	SSO-01	HA-08	L-03
	TRSE-00	OMB-01	INRE-00	SR-06	/075 W		

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DEPARTMENT OF STATE A/CDC/MR
REVISED BY [Signature] DATE 4/8/86
FOR MR. [] MR. []
MR. [] MR. []
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FOLLOWS (IN MILLION RUPEES):

NORTHWEST FRONTIER PROVINCE

1. FORESTRY/WATERSHED MANAGEMENT	5.50
2. ROADS (DESIGN)	0.25
3. FLOOD CHANNEL PROTECTION	1.50
4. TECHNICAL ASSISTANCE	0.75

BALUCHISTAN

1. WATERSHED MANAGEMENT	5.00
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TOTAL	13.00
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WALZER STRESSED THAT THE MONEY WOULD BE LARGELY OBLIGATED AND SPENT BY THE END OF THE U.S. FISCAL YEAR, SEPTEMBER 30. CONTRACT FOR PROJECTS WILL BE SIGNED IN OCTOBER.

4. WALZER INDICATED THAT THE UNHCR REGARDS INITIATION OF THE PROJECT THIS FISCAL YEAR AS IMPORTANT. IF FUNDING FOR THESE ADVANCE PORTIONS IS DELAYED, PARTICULARLY THE FORESTRY PROJECT, AN ENTIRE SEASON WILL BE LOST. IN ADDITION, HE BELIEVES THAT THE MOMENTUM WHICH UNHCR AND CONFIDENTIAL

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THE WORLD BANK HAVE DEVELOPED WITH THE PROVINCIAL GOVERNMENTS WOULD ALSO BE UNDERCUT, IF THE PROJECTS DO NOT GET UNDERWAY SOON. WALZER ADDED THAT THE GOP AND THE PROVINCIAL GOVERNMENTS FULLY SUPPORT THIS WORLD BANK PROJECT.

5. ACCORDING TO WALZER, FUNDING BETWEEN NOW AND SEPT. 30 FROM ANY OTHER COUNTRY FOR THE ADVANCE PORTION IS DOUBTFUL. ALTHOUGH MANY GOVERNMENTS ARE INTERESTED IN THE PROJECT HE CITED THE WEST GERMANS, THE JAPANESE, AND THE SWISS) THEIR ALLOCATION PROCESSES WILL NOT PERMIT TIMELY FUNDING OF THE ADVANCE PROJECTS.

6. WALZER SAID THAT UNHCR IS WILLING TO FOREGO ITS OWN FUNDING FOR THIS FISCAL YEAR FROM THE U.S. GOVERNMENT. IF RUPEE EQUIVALENT OF ONE MILLION DOLLARS COULD BE ALLOCATED TO THE ADVANCE PORTION OF THE WORLD BANK PROJECT. IN OTHER WORDS, WALZER PROPOSED, THE U.S. SHOULD SUBTRACT ONE MILLION DOLLARS IN COUNTERPART FUNDS FROM THE UNHCR ALLOCATION AND DISTRIBUTE THIS TO THE WORLD BANK PROJECT. POLITICAL COUNSELOR POINTED OUT THAT ABSENCE OF A CONTRACT BETWEEN WORLD BANK AND GOP WOULD STILL BE A PROBLEM. WALZER WONDERED WHETHER U.S. COULD NOT COME UP WITH A FORMULA WHICH WOULD ENABLE ALLOCATION, EVEN THOUGH CONTRACT BETWEEN WORLD BANK AND GOP WILL NOT BE SIGNED UNTIL OCTOBER.

7. ACTION REQUESTED: PLEASE ADVISE (A) DEPARTMENT'S
REACTION TO WALZER'S REVISED PROPOSAL AND (B) WHETHER
FORMULA CAN BE FOUND TO TAKE CARE OF LEGAL REQUIREMENTS FOR
CONTRACT. SPIERS

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